REMARKS

Claims 1-8 and 11-17 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite. Each of the claims has been amended to correct the bases for this rejection, as stated in page 2 of the Office action.

Claims 1-8 stand rejected under 35 U.S.C. § 102(b) as anticipated by Showalter (U. S. Patent 5,704,444). Claim 1 has been further amended to more particularly define this invention such that the torque transfer assembly increases torque to a slower pair of wheels when a sensed slip condition occurs. This is a different strategy than Showalter teaches. In Fig. 6 of Showalter, at steps 314 and 318 two slip conditions are tested to determine whether they exceed a predetermined threshold. If both conditions are met, at step 322 torque is increased through clutch 150 to 100% of its torque transmitting capacity. This step fully engages clutch 150 such that both the front drive shaft and the rear drive shaft carry approximately 50% of the total torque input to the transfer case. The present invention, at step 108 decreases torque to the slower wheels after slip is detected at step 106. Showalter merely moves to a four wheel drive condition, in which torque is evenly split between the front and rear axles, rather than increasing torque to the slower wheels. Showalter teaches nothing about increasing torque to the slower wheels; instead, Showalter simply engages the front drive axle shaft if detected slip exceeds a threshold amount. The prior art references do not teach a controller for increasing torque to the slower wheels when slip is detected.

Claims 9-12, 14, 16, and 18-20 stand rejected under 35 U.S.C. § 102(b) as anticipated by Hiwatashi (U. S. Patent 6,094,614).

Claim 9 has been amended to more specifically define the invention and to distinguish over the prior art. Specifically, claim is amended to add that the controller increases torque to a slower pair of wheels upon a sensed slip condition. Claim 9 clarifies the invention by stating that the controller senses the wheels being on a surface having a low coefficient of friction. Thereafter, the controller increases torque to the slower wheels, provided slip is detected. The amendment to claim 9 is supported by the

description with reference to step 110, where the low coefficient of friction is sensed, and to step 114, where the preemptive corrective action is taken. Inasmuch as claim 9, as amended, distinguishes over the prior art, claims 10-17, which add limitations to claim 9, are patentably distinguished over the prior art also.

Claims 18-20 have been canceled.

Applicant proposes to amend Figs. 1 and 2 in accordance with the changes marked in red ink on the copy of those figures attached.

The proposed amendments to Fig. 1 removes the double occurrences of "20" and "22" in the figure.

Specifically, regarding Fig. 2, the test or inquiry at step 106 produces a logical true or false, i.e., a high or low result, which directs control either to step 108 or back to step 106. There is no additional positive result of test 106 that would pass control to step 110. Furthermore, the specification refers only to control passing to 108 as a result of a positive test at 106. (See Paragraph 0023). Therefore the line from step 106 to step 110 should be deleted.

After taking the preemptive slip corrective action at step 114, control passes to step 115 where a determination is made to see if slip is detected. (See Paragraph 0032). Therefore, the line leading from block 114 to the entry of step 112 is incorrect and should be deleted.

In view of these comments and the amendments, claims 1-17 appear now in condition for allowance. Applicant respectfully requests consideration of these claims and that they be passed to issue.

Respectfully submitted,

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